



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

November 20, 2014

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To: Supervisor Don Knabe, Chairman
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From: William T Fujioka
Chief Executive Officer

WASHINGTON, D.C. UPDATE ON THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 2014

This memorandum is to provide the Board with an update on the Child Care and Development Block Grant (CCDBG) Act of 2014 (S. 1086), legislation which reauthorizes CCDBG through Federal Fiscal Year (FFY) 2020. On November 19, 2014, the President signed S. 1086 into law – two days after the Senate passed the bill on an 88 to 1 vote.

Background on Child Care and Development Block Grant (CCDBG)

The CCDBG was created in 1990 and last reauthorized in 1996 as part of the welfare reform law. It is the primary source of Federal funding dedicated solely to subsidizing child care for low-income families and improving the quality and supply of child care. Annual funding for CCDBG is provided through a combination of mandatory funding, which is directly appropriated by statute, and discretionary funding, which is set under the annual appropriations process. Congress has annually appropriated funds for the discretionary CCDBG program since its authorization expired at the end of FFY 2002. The current mandatory funding level for CCDBG is \$2.92 billion a year. In FFY 2014, an additional \$2.36 billion in discretionary funds were appropriated for CCDBG. Block grant funds are allocated, by formula, to states with California receiving a total combined CCDBG allocation of \$556 million in mandatory and discretionary funding in FFY 2014.

"To Enrich Lives Through Effective And Caring Service"

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Highlights of Child Care and Development Block Grant Act of 2014 (S. 1086)

The CCDBG Act of 2014 (S. 1086) is a bipartisan/bicameral compromise bill, which reauthorizes CCDBG through FFY 2020. The bill authorizes \$2.36 billion in discretionary funding for CCDBG in FFY 2015, the same amount as appropriated in FFY 2014. It gradually increases the CCDBG's authorized funding level to \$2.48 billion in FFY 2016 and \$2.75 billion by FFY 2020, but does not change CCDBG's mandatory funding level of \$2.92 billion a year. Given the current Federal budget climate and tight overall discretionary spending caps, the amount actually appropriated for CCDBG could be less than its authorized funding levels during the six-year reauthorization period.

S. 1086 imposes new requirements on states to improve the quality of child care and protect children and families who receive assistance, including requirements to:

- Increase the percentage of each annual CCDBG allotment used to make quality improvements from 4 percent under current law to 7 percent in FFYs 2015 and 2016, 8 percent in FFYs 2017 and 2018, and 9 percent in later years plus an additional 3 percent to be used to improve the quality of infant and toddler child care beginning in FFY 2017;
- Conduct a needs assessment of child care quality needs and implement at least one quality improvement option from a list of allowable options that include training, implementing a quality rating system, improving the quality and supply of infant and toddler child care, expanding resource and referral services, facilitating state licensing compliance, evaluating program effectiveness, and implementing any quality improvement that can be measured;
- Submit annual reports certifying compliance with quality improvement requirements to the Secretary of Health and Human Services beginning in FFY 2016;
- Develop child care health and safety standards and early learning and developmental guidelines;
- Perform at least one pre-licensure inspection of CCDBG providers and at least one inspection of providers each year;
- Conduct criminal background checks of all child care staff and prohibit the employment of individuals who refuse background checks, are registered sex offenders, or were convicted of certain crimes;

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- Describe how it will give priority for child care assistance to lower income children;
- Assist each child who initially qualifies for a child care subsidy for at least 12 months before redetermining the child's eligibility;
- Implement strategies for increasing the supply and quality of child care for infant and toddlers, children who reside in underserved areas, children who are disabled, and children who receive care during non-traditional hours;
- Describe how CCDBG will be coordinated with other early childhood programs; and
- Have a statewide child care disaster plan for the provision of care in areas affected by disasters.

We will continue to keep you advised.

WTF:RA
MR:MT:ma

c: All Department Heads
Legislative Strategist